

Financial Market Update

| Week ending 19 March 2021



Financial market highlights for the week ending 19 March 2021

The following highlights compare the week ending 19 March 2021 to the week ending 12 March 2021:



Government securities market (Source: RBM)

- A total of K1.29 billion was allotted during this week's Treasury Bills (TB) auctions.
- There were nil rejections in the TB auctions.
- The average all type TB yield maintained its position at 12.18% during the period under review.
- During the OMO Reverse Repo auction held on 19 March 2021, K40.5 billion was injected into the market.



Currency market (Source: RBM)

- Based on middle rates, the Malawi Kwacha marginally depreciated against the USD by 0.01% to K788.49 per USD from K788.42 per USD.
- Based on middle rates, the Malawi Kwacha also marginally depreciated against and ZAR to K56.93 per ZAR from K56.34 per ZAR.
- Based on middle rates, the Kwacha marginally appreciated against the GBP (to K1,147.78 per GBP from K1,149.39 per GBP), and EUR (to K994.19 per EUR from K1,003.95 per EUR) during the period under review.



Financial market developments (Source: RBM)

- The average overnight interbank rate marginally increased to 11.39% from 11.25% in the previous week.



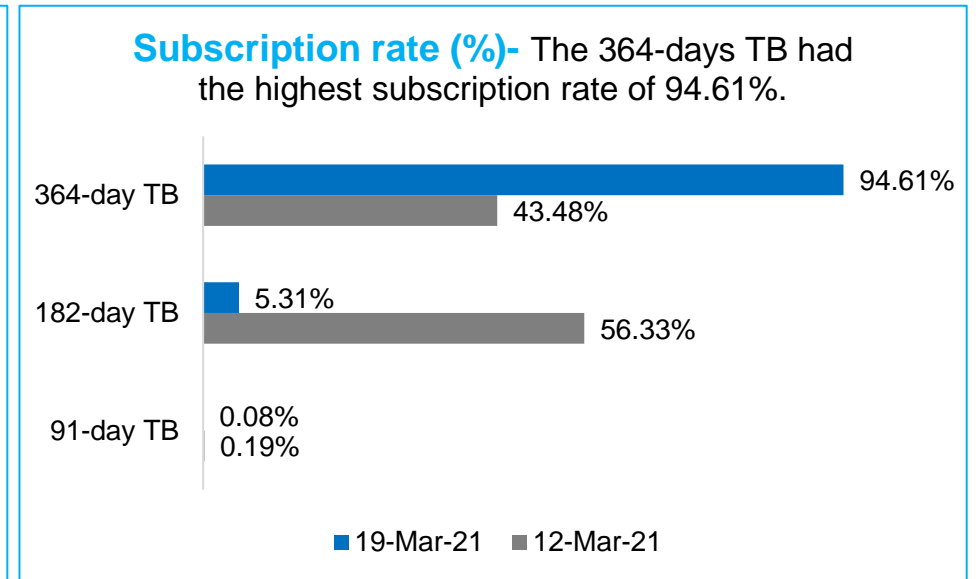
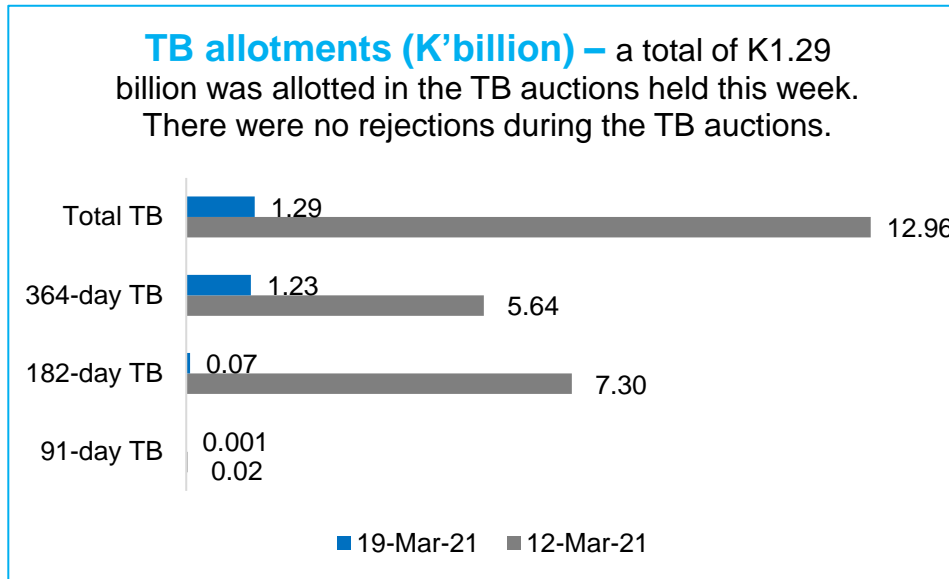
Equity market (Source: MSE)

- The stock market was bearish this week as the MASI decreased to 32,586.56 points from 33,119.85 points in the previous week. This was due to share price losses for Airtel (to K27.96 from K27.97), FDH Bank (to K16.49 from K16.50), NICO (to K51.94 from K51.95), OMU (to K2,190.00 from K2,199.00) and TNM (to K16.50 from K19.38) , during the period under review. This offset a share price gain in NBS to K23.00 from K22.80.
- The year-to-date return of 0.60% this week, it was negative 4.34% in the previous year during the same period.
- According to their trading statement, ICON Properties plc expects more than 20% increase in profits for the year ending 31 December 2020 to at least K8.90 billion from K7.41 billion in 2019.
- Illovo Sugar (Malawi) plc wishes to inform the public that the profit after tax for the half year ended 28 February 2021 is expected to be around 200% higher than that of the corresponding period ended 28 February 2020. The previous trading statement expected 60% increase for the period.
- According to their audited summary consolidated financial statements for the year ended 30 September 2020, BHL's has closed with a loss after tax of K453.77 million from a profit of K467 million in 2019.

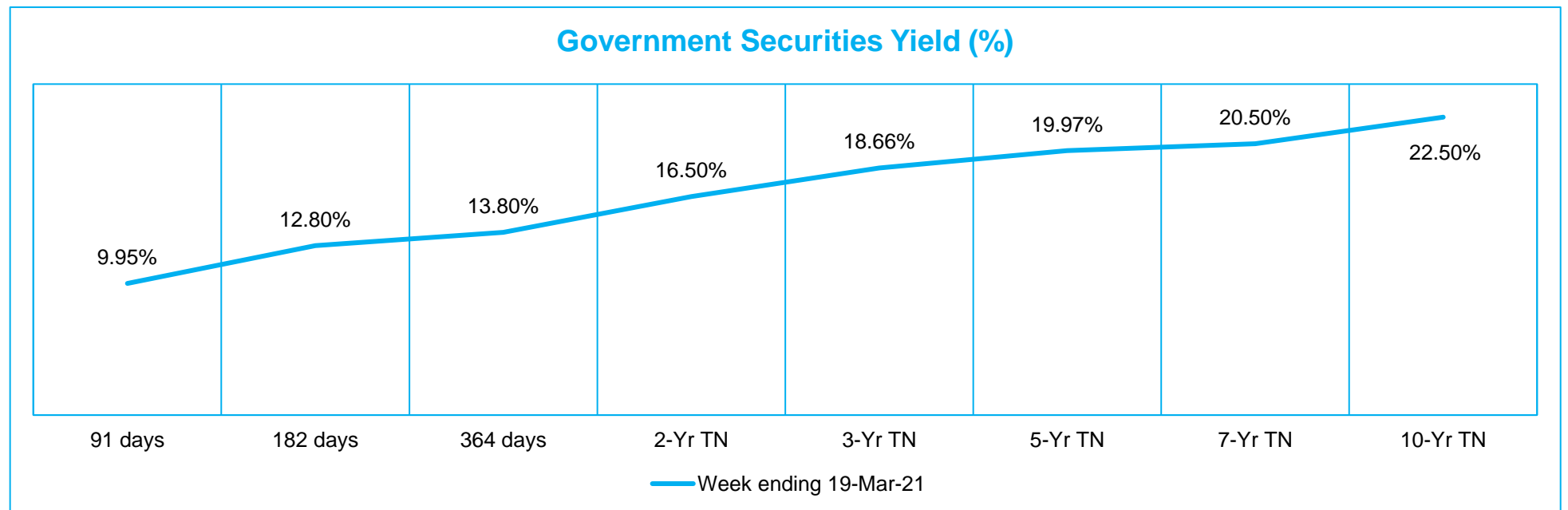


A total of K1.29 billion was allotted during this week's Treasury Bills (TB) auctions.

Government securities (Source: RBM)



The average All type TB yield maintained its position at 12.18% during the period under review.

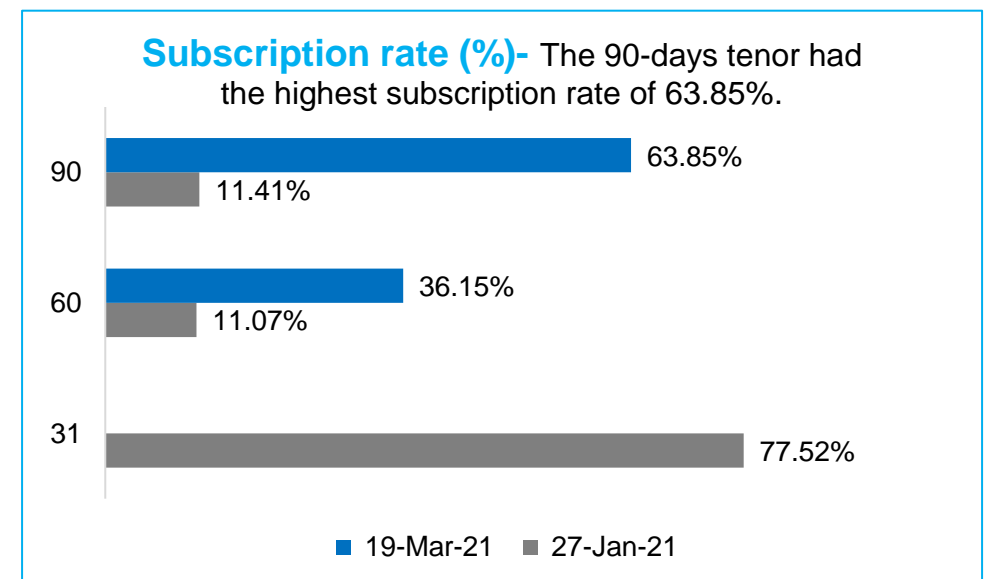
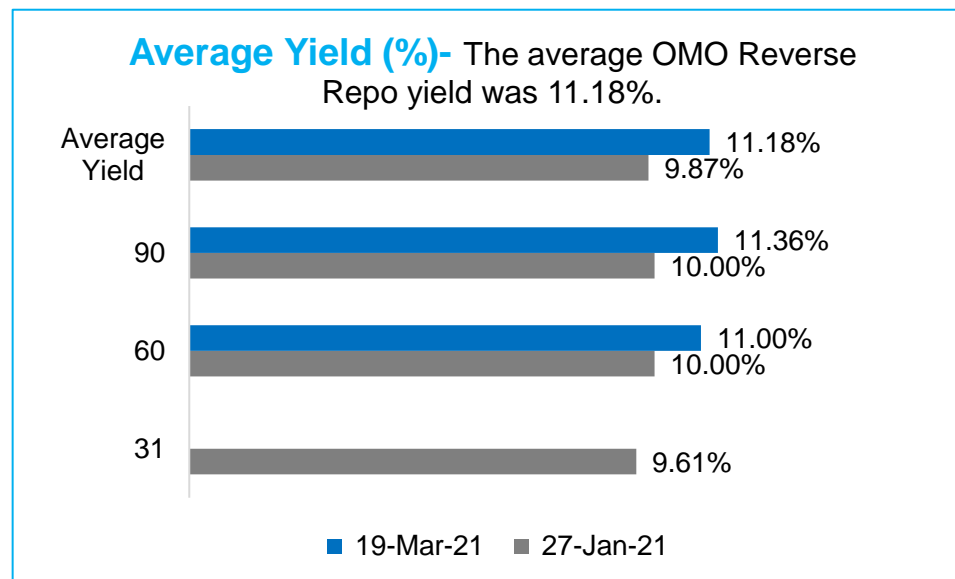
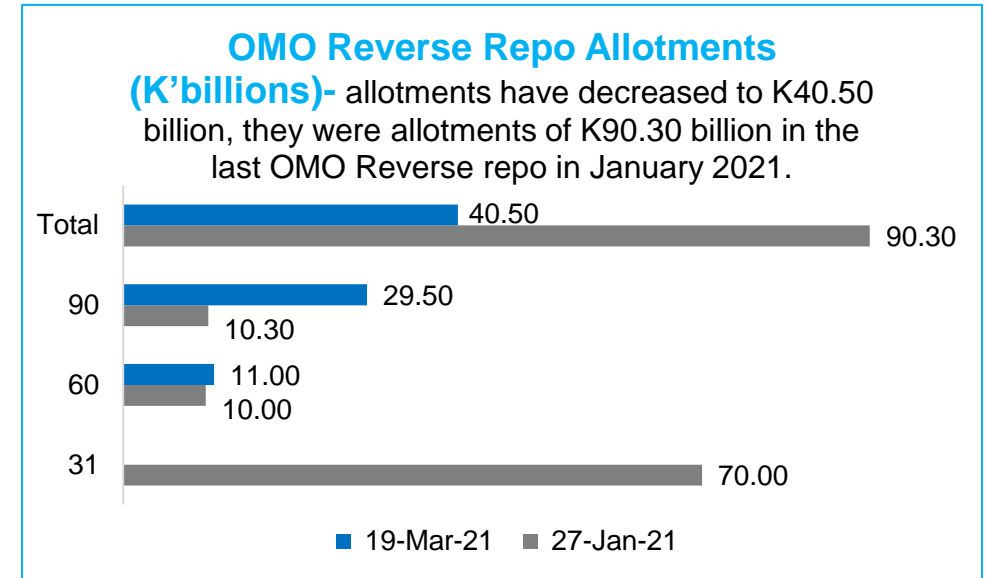
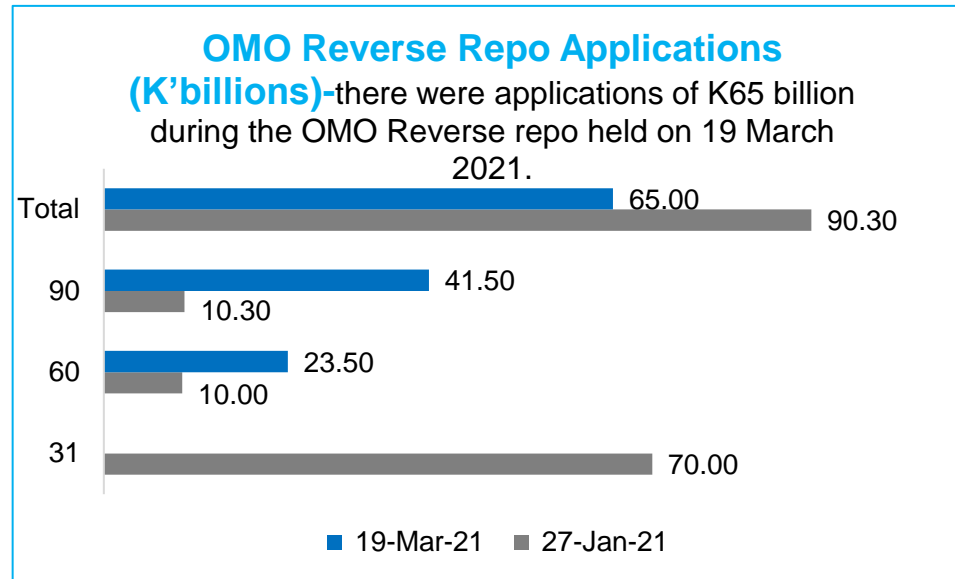


TB - Treasury Bill
TN - Treasury Note



During the OMO Reverse Repo auction held on 19 March 2021, K40.5 billion was injected into the market.

Government securities (Source: RBM)

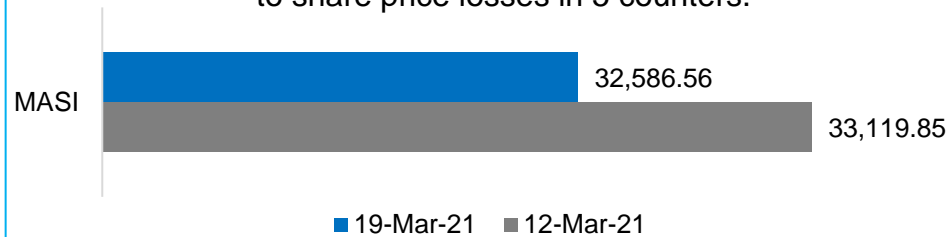




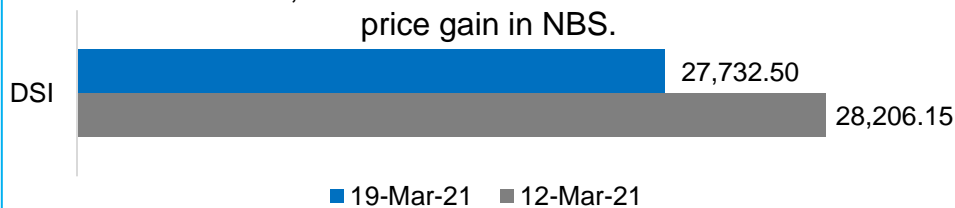
The stock market was bearish this week as the MASI decreased to 32,586.56 points from 33,119.85 points in the previous week. This was due to share price losses for Airtel, FDH Bank, NICO, OMU and TNM which offset a share price gain in NBS. Year-to-date, the MASI return is 0.60%.

Equity market (Source: MSE)

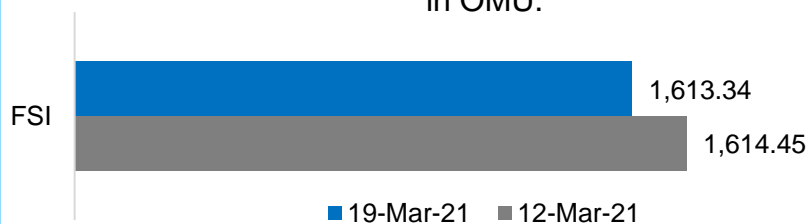
MASI – the stock market was bearish this week as the MASI decreased to 32,586.56 points from 33,119.85 points in the previous week. This was due to share price losses in 5 counters.



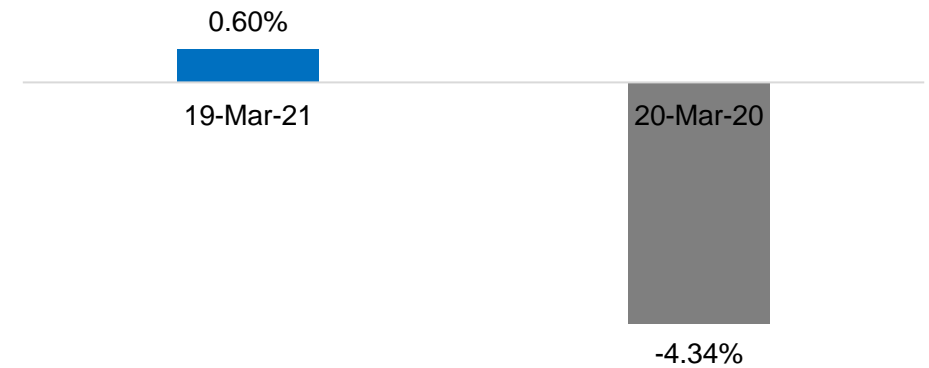
DSI – the DSI decreased to 27,732.50 points from 28,206.15 points due to share price losses in Airtel, FDH Bank, NICO and TNM. Which offset a share price gain in NBS.



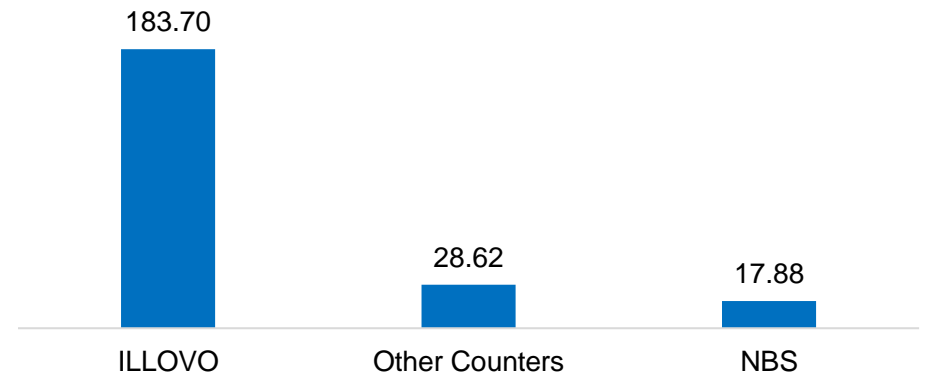
FSI – the FSI marginally decreased to 1,613.34 points from 1,614.45 points during the period under review. This was due to a marginal share price loss in OMU.



MASI YTD Return (%) – the MASI registered a year-to-date return of 0.60% this week (it was negative 4.34% in the previous year during the same period).



Value of Shares Traded (K'million) – Illovo had the highest value of shares traded at K183.70 million. The total value of shares traded this week was K230.19 million.

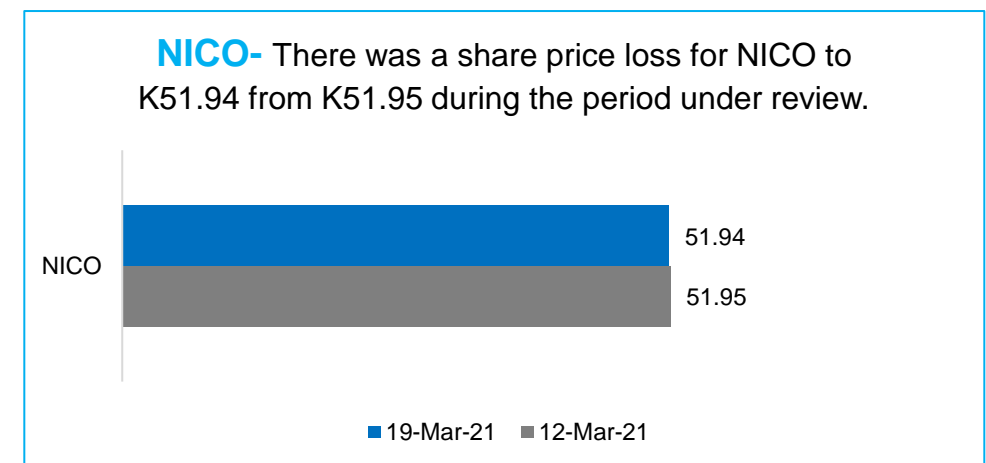
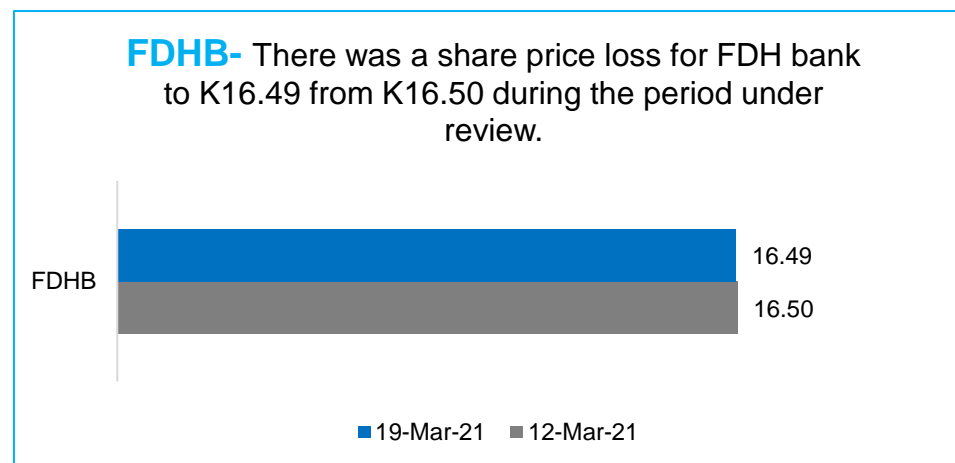
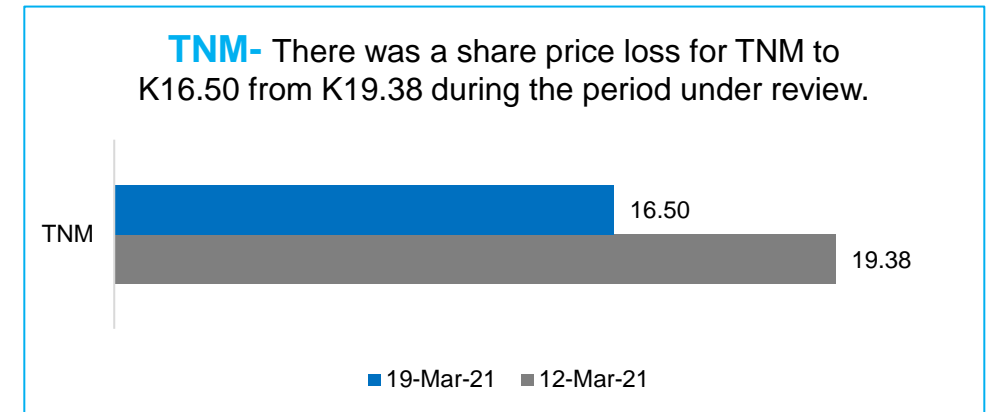
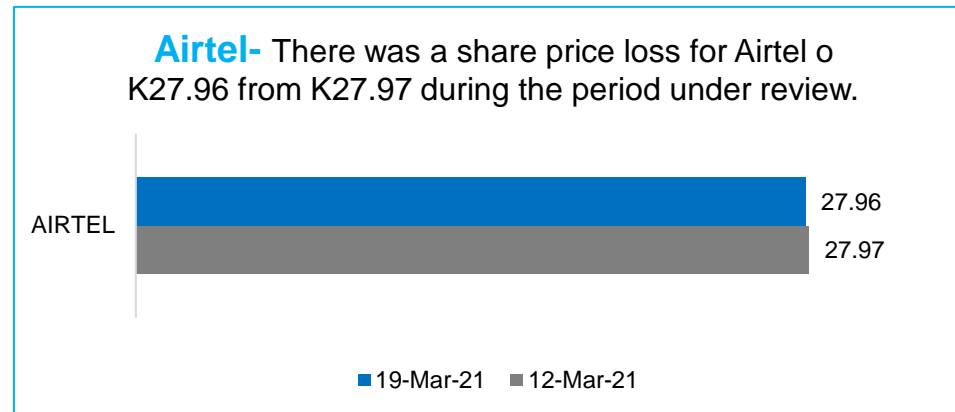
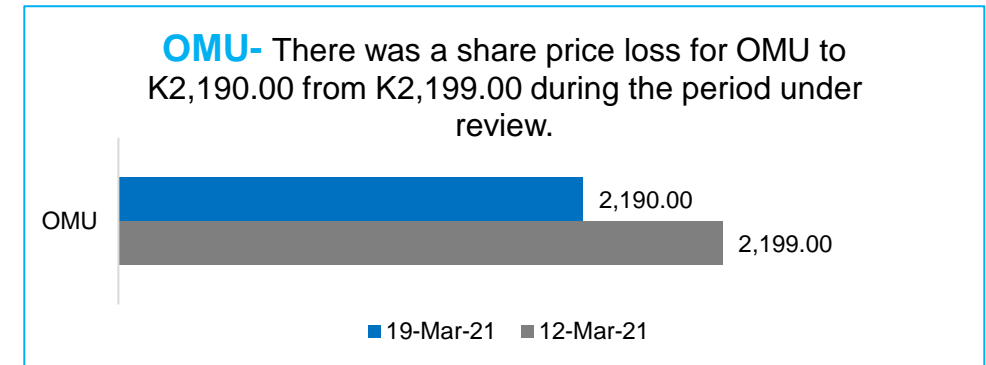
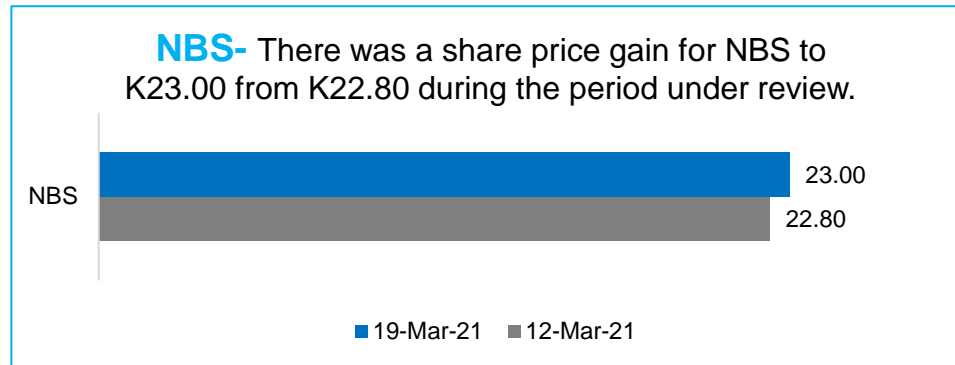


MASI: Malawi All Share Index
DSI: Domestic share Index
FSI: Foreign share Index



There were share price losses for Airtel (to K27.96 from K27.97), FDH Bank (to K16.49 from K16.50), NICO (to K51.94 from K51.95), OMU (to K2,190.00 from K2,199.00) and TNM (to K16.50 from K19.38), during the period under review. There was a share price gain for NBS to K23.00 from K22.80.

Equity market (Continued)





The 10 counters closed at the same prices as the previous week.

Equity market (Continued)

The other counters closed at the same prices as the previous week. Their closing prices are shown in the table below:

No.	MSE Code	Share Price (K)
		19-Mar-21
1	BHL	11.00
2	FMBCH	27.10
3	ICON	12.19
4	ILLOVO	80.46
5	MPICO	20.90
6	NBM	650.05
7	NITL	94.94
8	PCL	1,199.95
9	STANDARD	1,200.10
10	SUNBIRD	90.00

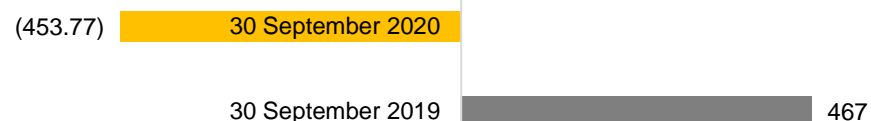


According to their audited summary consolidated financial statements for the year ended 3 September 2020, BHL has closed with a loss after tax of K453.77 million from a profit of K467 million in 2019.

Economic overview (Continued)

Latest corporate announcements (Source: MSE)

- BHL Profit After Tax for the year ended 30 September 2020 (K'billions)**- according to their audited summary consolidated financial statements for the year ended 30 September 2020, closed the year with a loss after tax of K453.77 million from a profit of K467 million in 2019. This is in line with their expectations of a 200% decline in PAT from their trading statement that was published earlier.



- Illovo Profit After Tax for the half year (K'billions)** – Illovo plc expects PAT for the half year ending 28 February 2021 to be higher than the previous corresponding period by around 200%. Half year PAT was K2.05 billion in 2020, it is expected to be K6.15 billion in 2021.



- ICON Profit After Tax (K'billions)** - according to their trading statement, ICON expects more than a 20% increase in profits for the year ending 31 December 2020 to at least K8.90 billion from K7.41 billion in 2019.



- Standard Bank Profit After Tax for the year ended 31 December 2020 (K'billions)**- according to their audited summary consolidated and separate financial statements for the year ended 31 December 2020, Standard Bank Plc's profit after tax has increased by 49.52% to K23.74 billion from K15.88 billion in 2019. This is slightly higher than the 45% increase in PAT from their trading statement that was published earlier.



- MyBucks Banking Corporation Limited would like to inform the medium term note holders and the investing community on the following coupon payments:

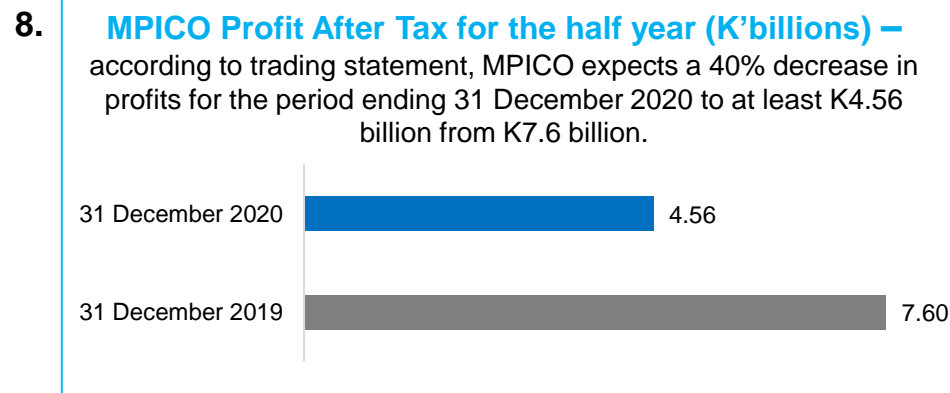
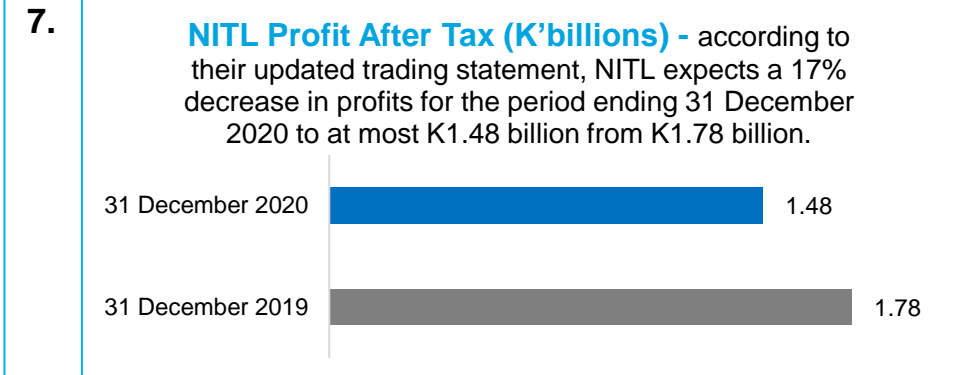
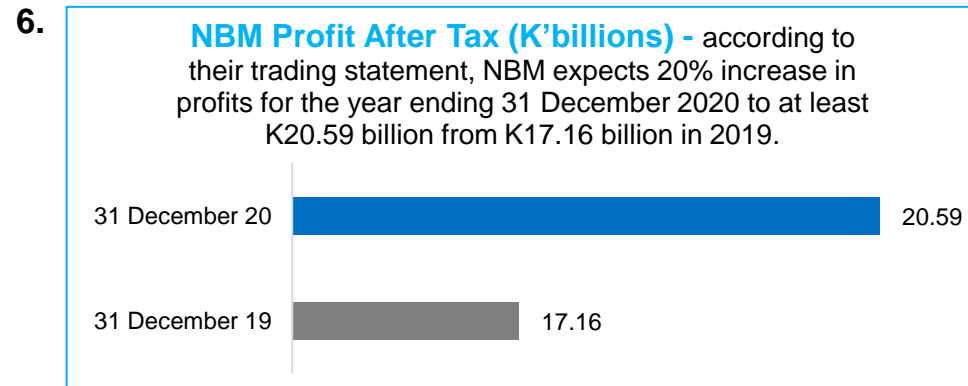
Issuer/Company	MSE Trading Code	Nominal Value MK	Coupon Rate %	Coupon Amount	Last Day To Register	Payable
MyBucks Banking Corporation	NFB01	1,000,000,000.00	16.75	41,301,370.00	26th March 2021	31st March 2021
MyBucks Banking Corporation	NFB02	3,000,000,000.00	12.90	95,424,658.00	26th March 2021	31st March 2021
MyBucks Banking Corporation	NFB03	50,000,000.00	10.50	1,294,521.00	26th March 2021	31st March 2021
MyBucks Banking Corporation	NFB04	6,000,000,000.00	17.62	260,615,836.00	26th March 2021	31st March 2021
MyBucks Banking Corporation	NFB05	2,350,767,576.00	10.50	60,862,339.00	26th March 2021	31st March 2021



According to their trading statement NBM expects 20% increase in profits for the year ending 31 December 2020 to at least K20.59 billion from K17.16 billion in 2019.

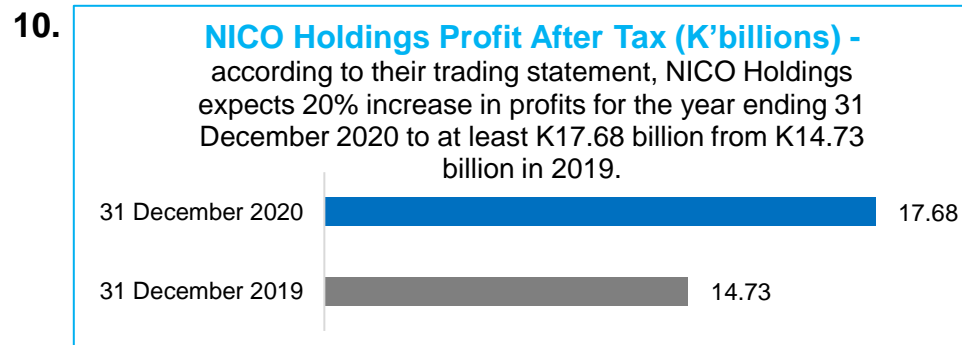
Economic overview (Continued)

Latest corporate announcements (Source: MSE)



9. **OMU Trading statement for the year ended 31 December 2020:** Shareholders are advised that the Group's key profit measures are expected to fall within the ranges outlined below:

Key Performance Indicators (ZAR million unless stated otherwise)	Estimated % change	Estimated 31 Dec-2020	30 Dec-2019
Results from Operations	(79%) to (89%)	1,884 - 987	8,972
Adjusted Headline Earnings	(70%) to (80%)	2,957 - 1,971	9,856
AHEPS (cents) ¹	(69%) to (79%)	64.9 - 44.0	209.3

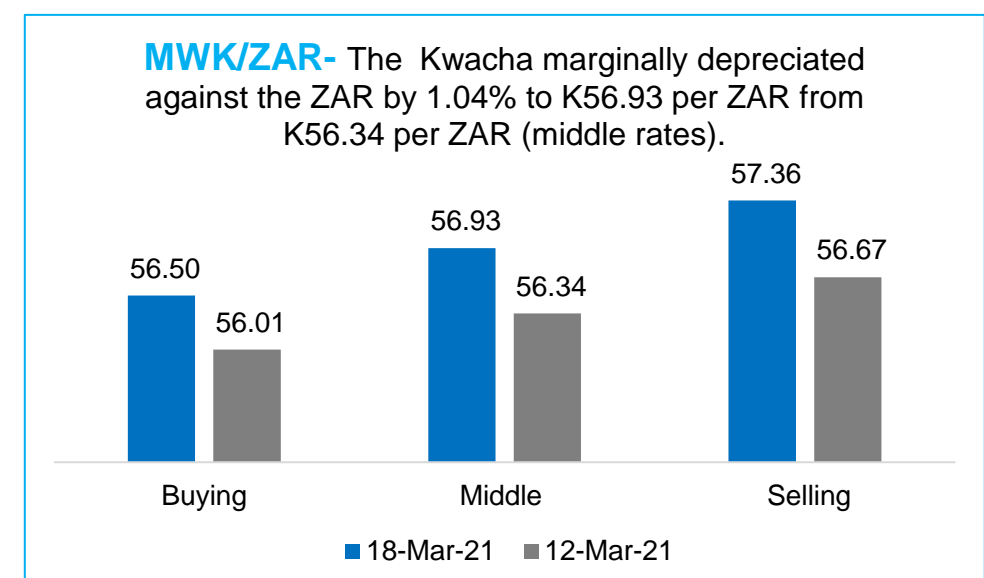
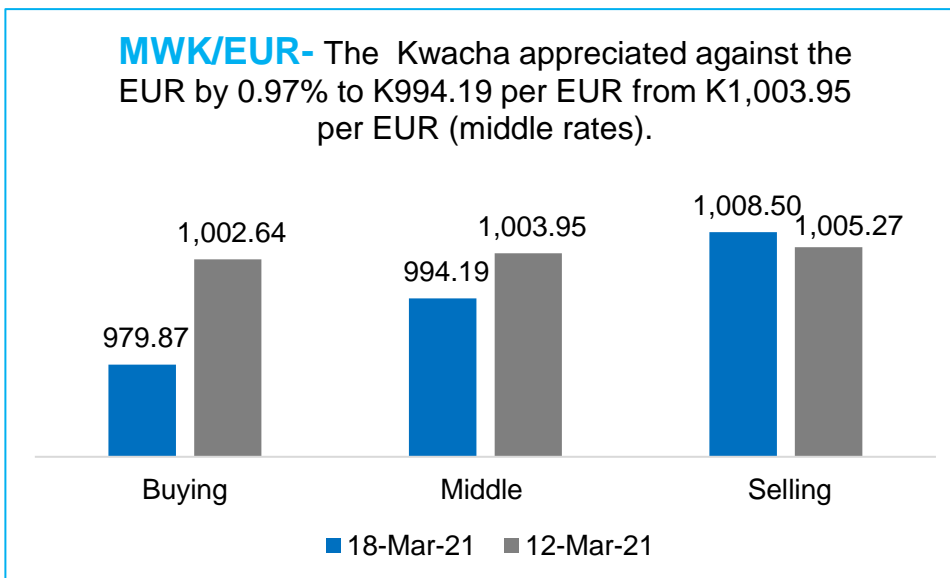
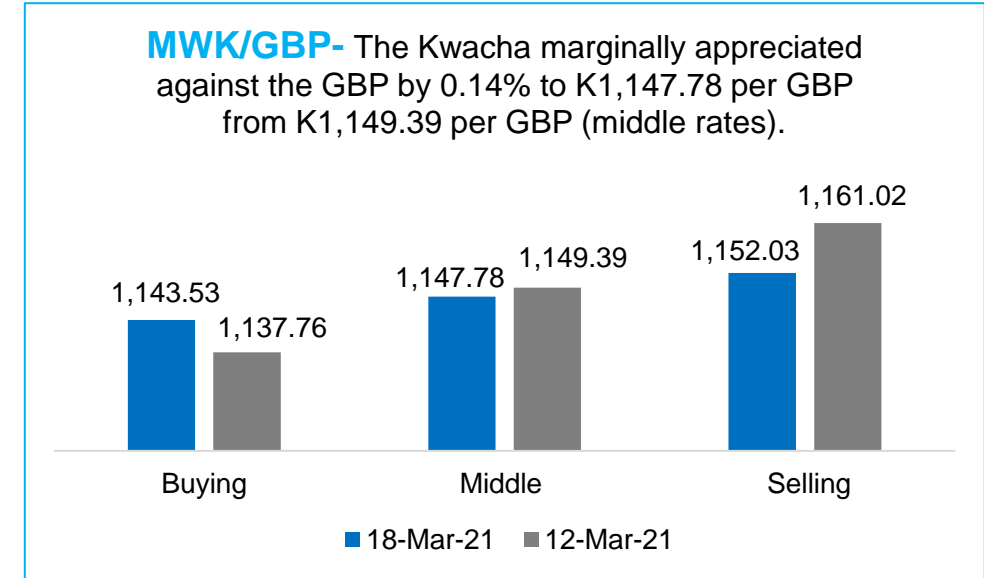
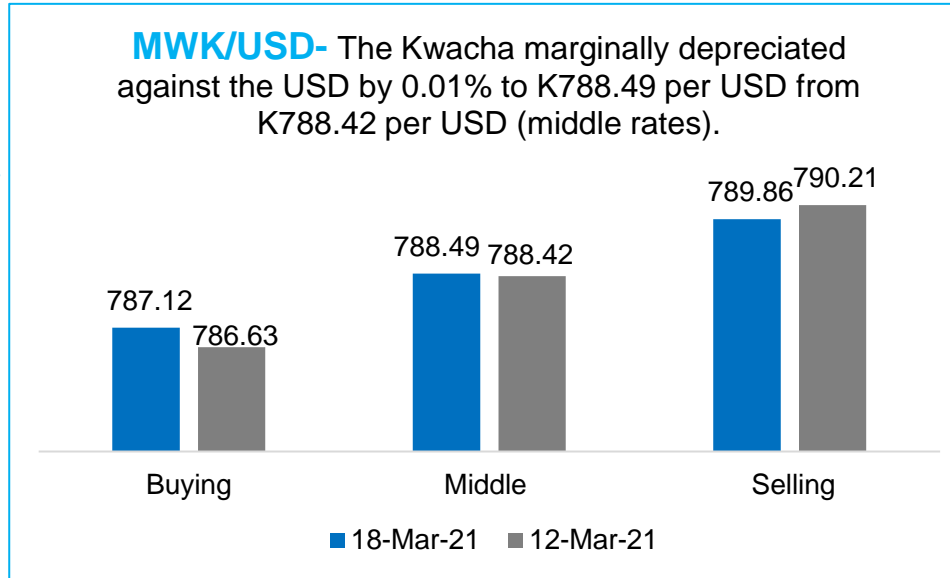


(1)AHEPS defined as Adjusted Headline Earnings divided by weighted number of shares (WANS) adjusted to reflect the Group's BBE shares, and shares held in policyholder and consolidated investment funds.



Currency market (Source: RBM)

Based on middle rates, the Malawi Kwacha marginally depreciated against the USD by 0.01% to K788.49 per USD from K788.42 per USD.



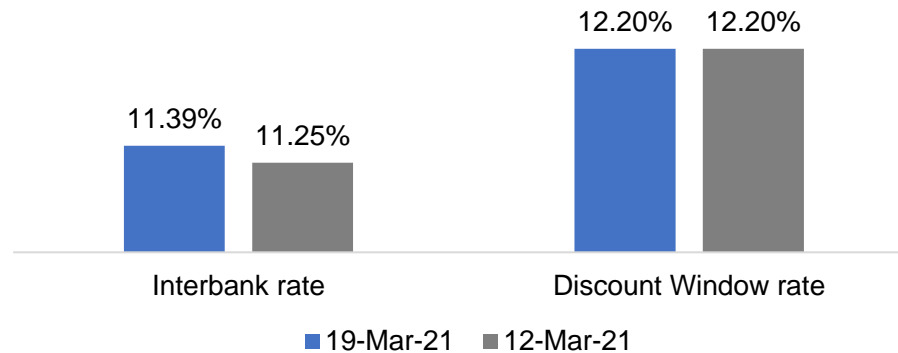
NB: The reported closing rates are actual trade-weighted market average Telegraphic Transfer rates.



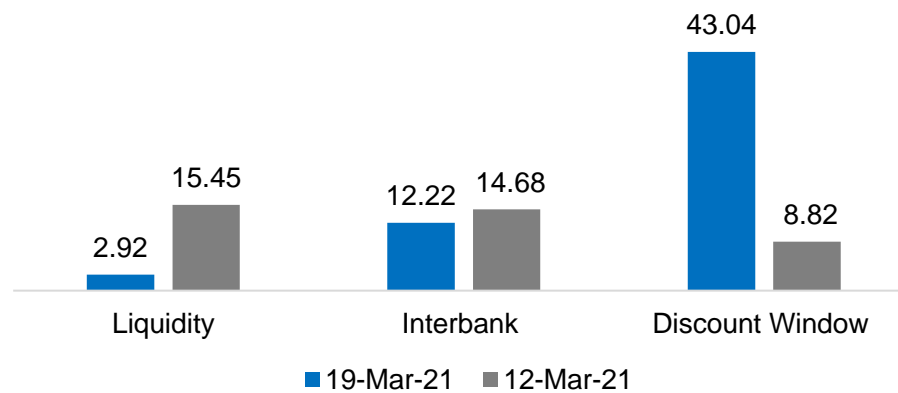
Other financial market developments (Source: RBM)

The average overnight interbank rate marginally increased to 11.39% from 11.25% in the previous week.

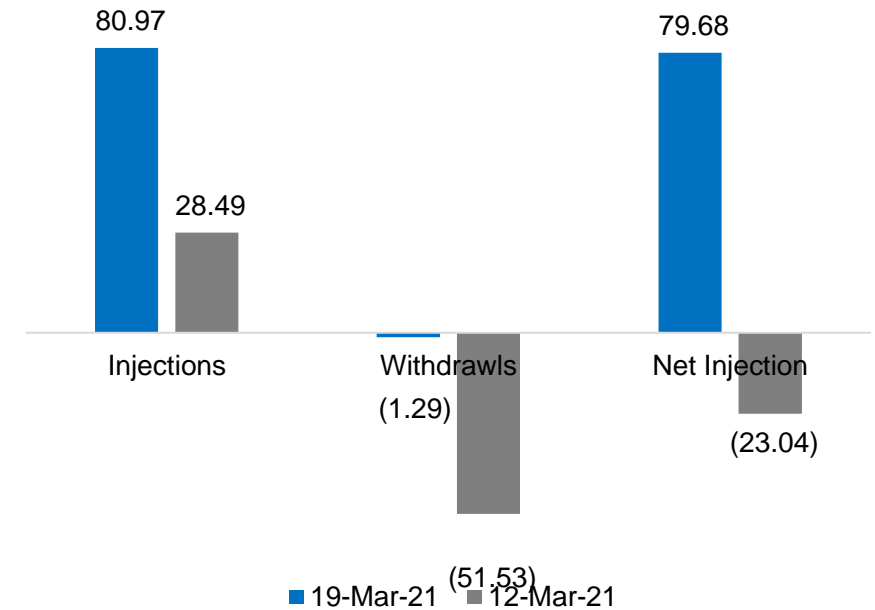
The average overnight interbank rate increased to 11.39% from 11.25% in the previous week. The discount window rate maintains its position at 12.20% this week.



Daily average volumes (K'billions) – the daily average liquidity volume decreased to K2.92 billion from K15.45 billion in the previous week



Net liquidity (K'billions) - there was a net liquidity injection of K79.68 billion this week as injections and withdrawals were K80.97 billion and K1.29 billion, respectively.



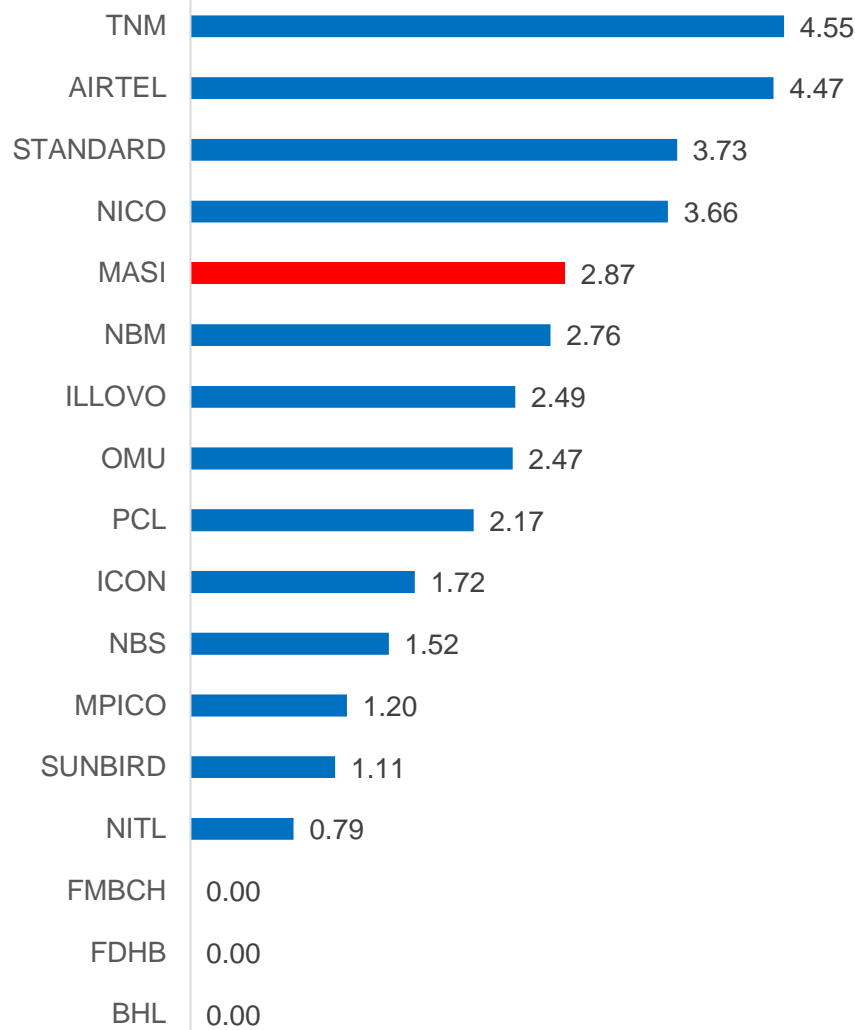
Appendix



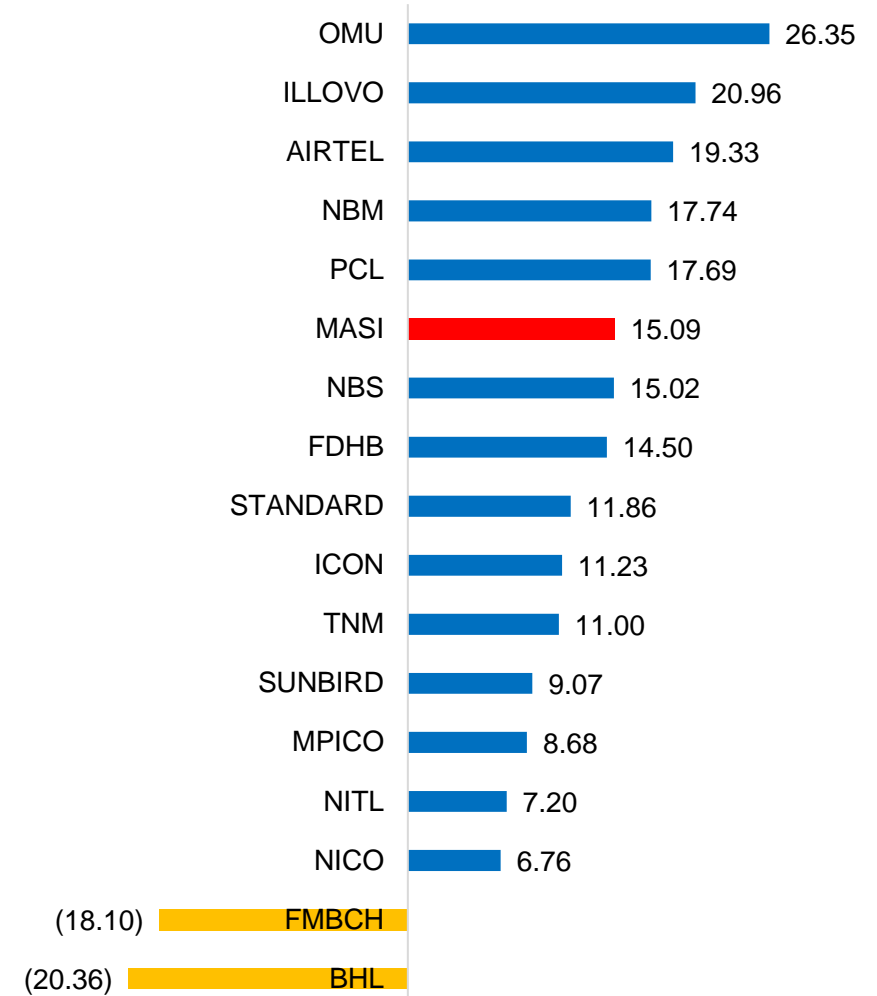
The weighted average dividend yield on the MSE is 2.87%. The MSE has a weighted average Price to Earnings ratio of 15.09.

Appendix A - Equity market

Dividend yield (%) - the weighted average dividend yield on the MSE is 2.87%. The counter with the highest dividend yield is TNM at 4.55%.



P/E ratio - the MSE has a weighted average Price to Earnings ratio of 15.09. BHL has the lowest at negative 20.36 while OMU has the highest at 26.35

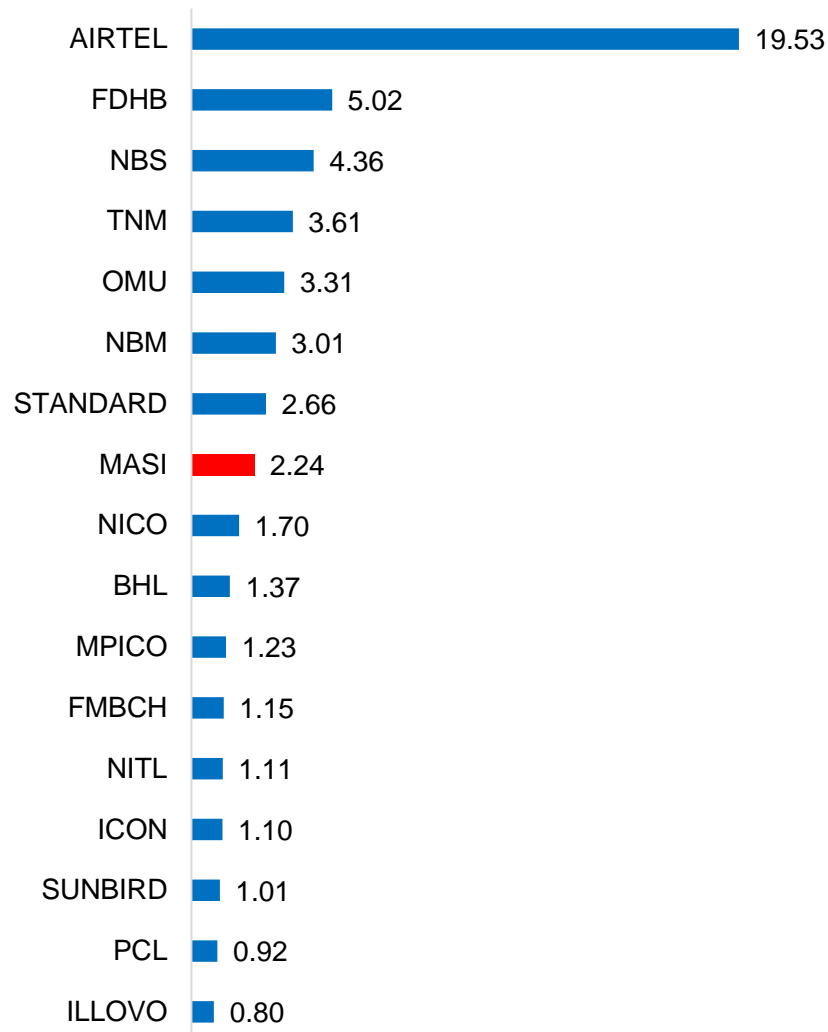




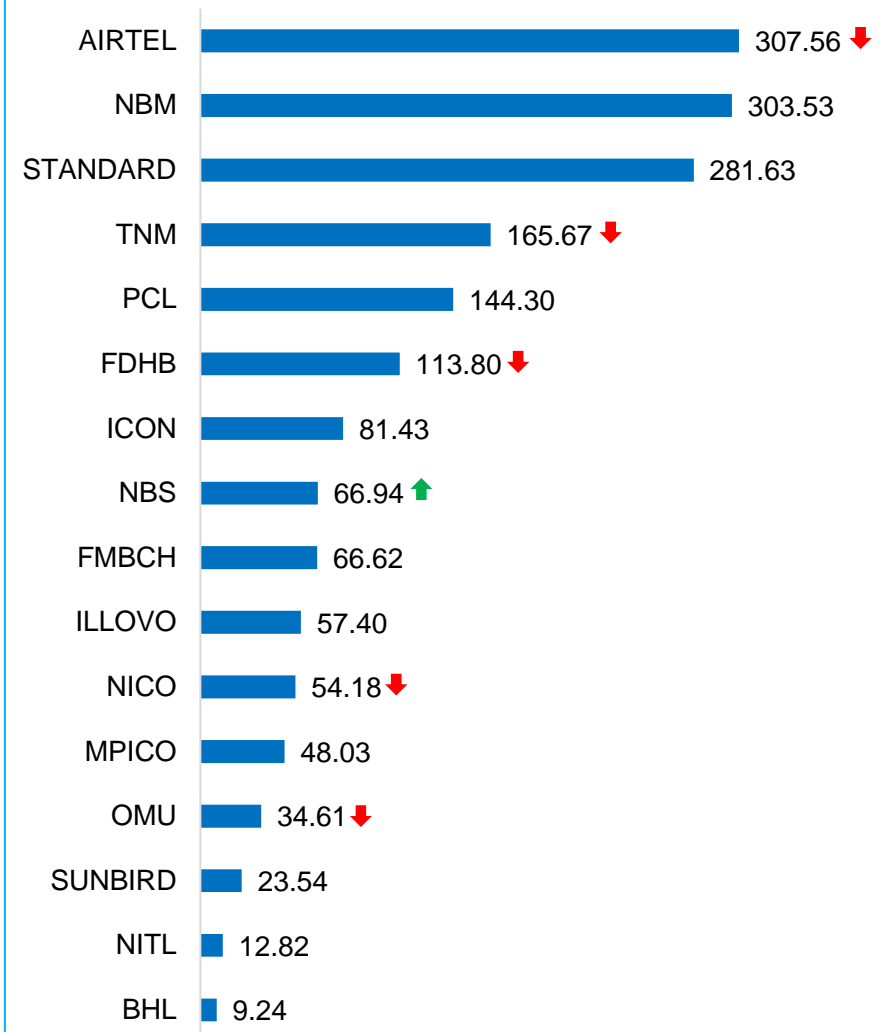
Appendix A- Equity market (Continued)

The weighted average Price to Book Value ratio on the MSE is 2.24. Airtel leads the MSE counters with a market capitalization of K307.56 billion. The total market capitalization is K1.77 trillion.

P/BV ratio - the weighted average Price to Book Value ratio on the MSE is 2.24. Airtel has the highest ratio at 19.53 while Illovo has the lowest ratio at 0.80.



Market Capitalization (K'billion) - Airtel leads the MSE counters with a market capitalization of K307.56 billion. The total market capitalization is K1.77 trillion

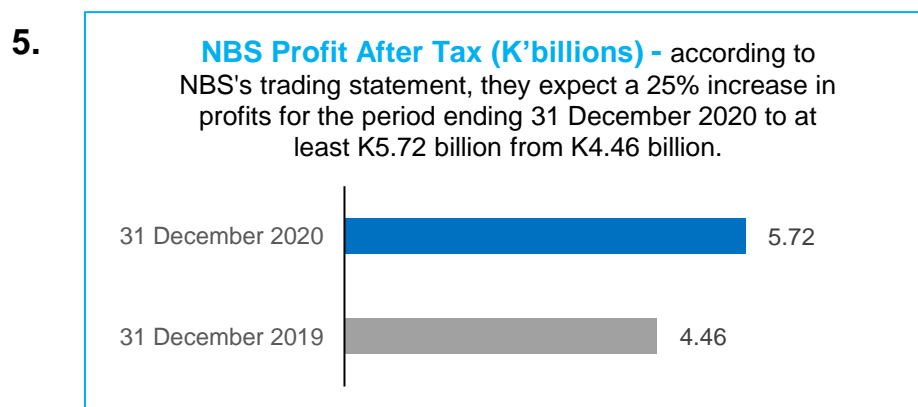
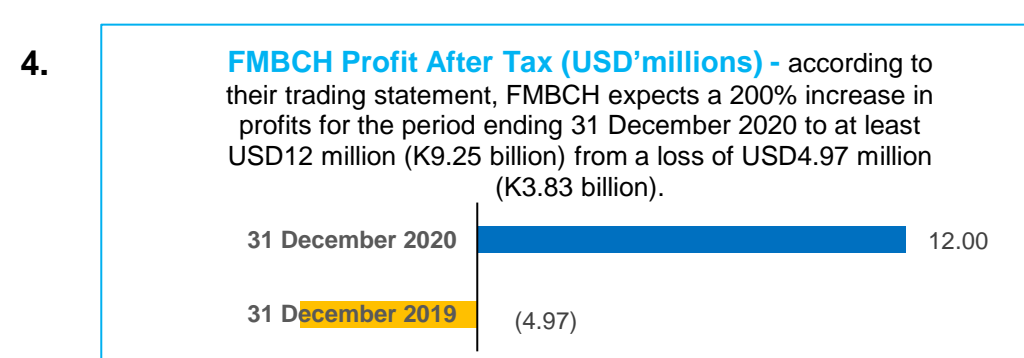
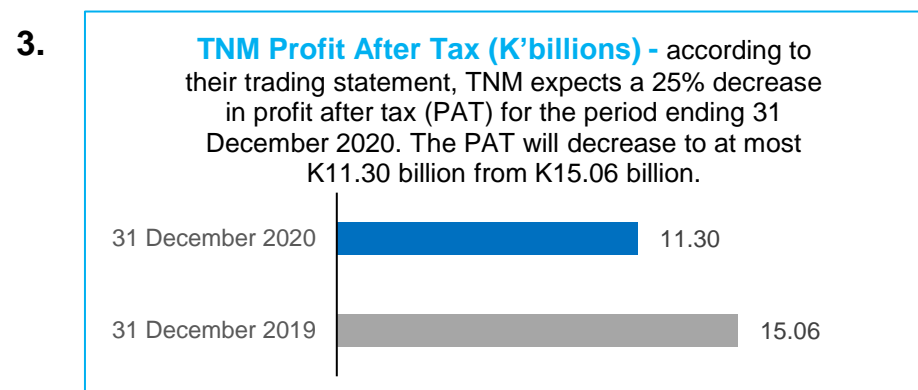
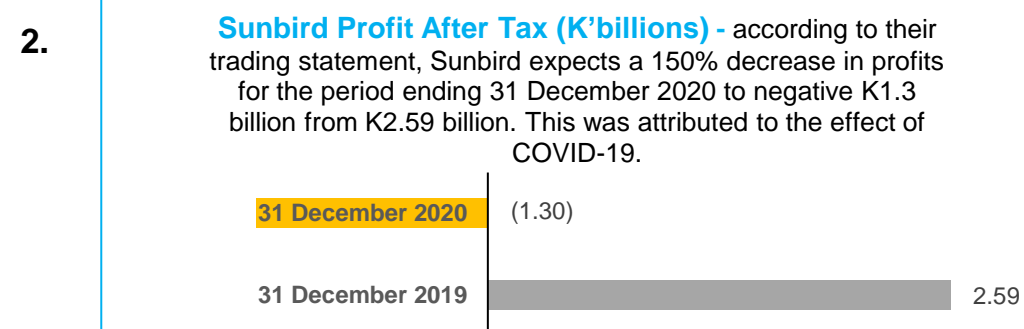
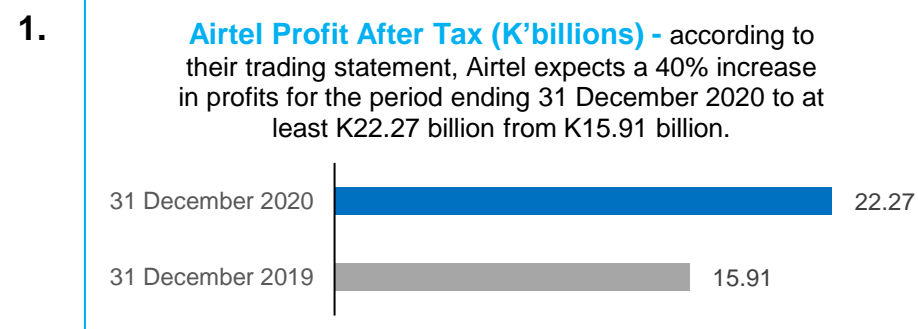




Airtel, NBS and FMCH expect profit after tax for the period ending 31 December 2020 to be higher than the previous corresponding period by at least 40%, 25% and 200%, respectively. Sunbird and TNM however expect profit after tax for the period ending 31 December 2020 to be lower than the corresponding period by 150% and 35%, respectively.

Appendix A- Equity market (Continued)

Corporate Announcements (Source: MSE)



6. Counters that did not release End of Year Trading Statements are listed below. The assumption is that these counters expect their PAT to be within 20% of the profit made in the previous period:

- 1 FDHB
- 2 PCL



National Bank of Malawi (NBM) plc wishes to advise its shareholders that NBM has now completed the acquisition of a 51% controlling stake in Akiba Commercial Bank plc (ACB) in Tanzania for a consideration of USD 7.31 million through a share subscription. Shareholders are, however, advised that negotiations are continuing for an additional stake in ACB.

Appendix A- Equity market (Continued)

Corporate Announcements (continued)

12. **FDH Bank Plc cautionary statement**

FDH Bank Plc wishes to update its shareholders and the general public that members of its majority shareholder, FDH Financial Holdings Limited, are still engaged in shareholding negotiations. The negotiations may result in changes in the shareholding structure of FDH Financial Holdings Limited. Shareholders are therefore advised to exercise caution in dealing in their shares and consult professional advisors before dealing in their shares until such time as the result of the negotiations is known.

13. **National Bank of Malawi plc cautionary statement**

National Bank of Malawi (NBM) plc wishes to advise its shareholders that NBM has now completed the acquisition of a 51% controlling stake in Akiba Commercial Bank plc (ACB) in Tanzania for a consideration of USD 7.31 million through a share subscription. The acquisition is in line with NBM plc's current strategic plan which has regional expansion as one of its key thrusts. This acquisition is expected to bring about growth in business for both NBM Plc and ACB as it upscales the business of ACB to the standards of NBM plc.

NBM is listed on the Malawi Stock Exchange with a market capitalization of K304 billion. The investment in ACB is approximately 2% of the NBMs current market capitalization. ACB is a Tanzanian bank offering a range of banking and financial services. It was established in 1997 with 300 Tanzanian entrepreneurs as its initial shareholders. It has strong SME roots and operates 18 branches across Tanzania.

Shareholders are, however, advised that negotiations are continuing for an additional stake in ACB. They are therefore advised to continue to exercise caution in dealing in their shares in the Company and consult professional advisors before dealing in their shares until such time as the result of the negotiations are known. NBM plc is further informing the general public that all efforts will be made to communicate further developments as and when required.



Standard Bank has declared a second interim dividend of K12.78 per share, in respect of the financial year ended 31 December 2020. The company has also proposed a final dividend of K21.31 per share, in respect of the financial year ended 31 December 2020.

Appendix A- Equity market (Continued)

Corporate Announcements (continued)

15. Dividends:

Company	Declared/Proposed	Type	Dividend (MK)	Last Day To Register	Payable
FDHB	Declared	Interim	0.43	12 March 2021	26 March 2021
NBM	Declared	Second interim	5.35	12 March 2021	31 March 2021
Illovo	Proposed	Final	2.00	12 March 2021	31 March 2021
STANDARD	Declared	Second Interim	12.78	TBA	TBA
STANDARD	Proposed	Final	21.31	TBA	TBA

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